This record is a partial extract of the original cable. The full text of the original cable is not available.

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TAGS: PREL PTER KISL PK IN RP SUBJECT: INTELLIGENCE COOPERATION AGREEMENT CAPS MUSHARRAF'S STATE VISIT

Classified By: (U) Political Officer Paul O'Friel for reasons 1.4(b) and (d).

(C) SUMMARY. President Musharraf's state visit produced a new counterterrorism cooperation agreement that will regularize and expand intelligence exchanges between Pakistan's Inter-Service Intelligence Directorate and the Intelligence Service of the Armed Forces of the Philippines. Musharraf publicly endorsed Manila's bid for observer status with the Organization of the Islamic Conference, and backed the Philippine government's negotiations to end a decades-long Muslim secessionist struggle in Mindanao. private remarks, however, he warned that the Philippines must do more to counter Islamist extremism, or risk becoming the new front line in the war against terror. END SUMMARY.

AGREEMENT TO REGULARIZE AND EXPAND INTELLIGENCE EXCHANGES

(C) Pakistani President Pervez Musharraf capped his April 18-20 state visit to the Philippines — the first-ever by a Pakistani president — with the signing of a memorandum of understanding boosting intelligence cooperation between the two countries. (Note: President Arroyo joined her father, former President Diosdado Macapagal, on the first visit of a Philippine leader to Pakistan in 1962. End Note.) According to Department of Foreign Affairs (DFA) South Asia Director Nathaniel Imperial, the agreement, which is similar to intelligence exchanges the Philippines has established with other states, closes a significant gap in intelligence sharing. Imperial told poloff April 21 that the MOU regularizes heretofore ad hoc annual intelligence discussions, with a commitment to institutionalize and upgrade exchanges between Pakistan's Inter-Service upgrade exchanges between Pakistan's Inter-Service
Intelligence Directorate (ISID) and the Intelligence Service
of the Armed Forces of the Philippines (ISAFP). "We hope for
very key high-level exchanges soon," Imperial said. (Note.
According to press reports, National Security Advisor
Norberto Gonzales plans a follow up meeting with Pakistani
counterparts in Islamabad on June 22. End note.) He added
that the agreement also established a framework for cooperation on transnational crime, e.g., narcotics, bank fraud, and the illegal transfer of small arms, as well as the possible exchange of personnel.

EFFORTS TO REINFORCE RELIGIOUS MODERATION

13. (SBU) Imperial said the two Presidents also discussed ways to reinforce religious moderation. President Arroyo expressed support for Musharraf's efforts to reform the curriculum in Pakistan's madrassah school system, noting the parallels with madrassah schools in the southern Philippines. According to Imperial, his government is also reviewing its screening procedures for Filipinos studying in Pakistani Islamic schools. He added that President Arroyo committed the Philippines to hosting an international conference on inter-faith dialogue, but did not fix a date.

SUPPORT FOR MANILA'S BID FOR OIC OBSERVER STATUS

(SBU) The Pakistani-Philippine talks included discussion of the Philippines' bid for observer status in the Organization of the Islamic Conference (OIC). Imperial noted that when asked by a journalist about Pakistan's stance on Philippine OIC membership, Musharraf had said he supported the bid, with the caveat that the OIC is "restructuring" a the moment. Imperial said his government was encouraged by Musharraf's stance; while the backing was relative, it reversed Pakistan's previous position of outright opposition.
(Note. At the 30th OIC Foreign Ministers Conference in May 2003, Pakistan opposed the Philippines' bid, stating that it would set a precedent and open up admission to non-Islamic countries -- read India. End note.) Other agreements signed in the course of the visit included memorandums on supply of low-cost pharmaceuticals from Pakistan, mutual lifting of visa requirements for diplomats, and promotion of cultural exchanges.

PUBLIC REMARKS FOCUS ON COUNTERTERRORISM THEMES

(U) Musharraf's April 20 address to a joint session of the Philippine Congress focused on the themes of counterterrorism and good governance. The Pakistani President expressed support for the GRP's ongoing peace talks with the secessionist Moro Islamic Liberation Front (MILF), "Filipino Muslims must strive to be dynamic, vibrant, saying, progressive, and loyal part of the Philippines." He put forward his concept of "enlightened moderation," in which Islamic nations would do more to reject extremism and promote socio-economic development, while Western countries simultaneously worked to help resolve long-standing political disputes in the Islamic World and assist developing countries in their efforts towards "emancipation and development.

16. (C) At an April 20 Foreign Correspondents of the philippines breakfast, Musharraf focused most of his remarks on counterterrorism. He rejected the notion of a "clash of civilizations," noting that "the West is not engaged in a war against Islam." He emphasized the importance of military force -- "if the Islamists don't want to live in peace, we will eliminate them," but also stressed the vital role economic development and stability played in the fight against terrorism. Addressing economic deprivation, joblessness, poverty, and illiteracy could neutralize the root causes of terrorism. Education is vital to this end, Musharraf said, noting that the madrassah curriculum needs to promote moderation and "real values of Islam," and not extremism. In off-the-record remarks, we are told Musharraf warned that the Philippines must do more to counter the extremist threat in Mindanao, or risk becoming the new front line in the war against terror.

COMMENT

17. (C) Given that many Abu Sayyaf Group (ASG) leaders passed through Pakistan on their way to al-Qaida camps in Afghanistan and presence of many Filipino students in Pakistani madrassahs, the enhanced intelligence cooperation agreement is a welcome, but overdue initiative. Trade ties between two countries are paltry (according to Department of Trade statistics the Philippines exported \$21 million worth of goods to Pakistan in 2004, and imported \$15 million), and are likely to remain so, despite the pharmaceutical agreement. Aside from the intelligence cooperation agreement, the Musharraf visit might best be explained by a quid pro quo. Pakistani backing for the Philippines' bid for observer status in the OIC, in return for future Philippine support for a Pakistani effort to obtain observer status in the East Asian Summit, for which India has already qualified.

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